

Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT)
*Inquiry into Australia's trade and investment relationships with countries
of the Middle East*

Submission by the Centre for Arab and Islamic Studies
(the Middle East and Central Asia) (CAIS)
The Australian National University

1. Introduction

The Centre for Arab and Islamic Studies (the Middle East & Central Asia), (CAIS), is a Centre based within the College of Arts & Social Sciences at The Australian National University. It was established in 1994 as the Centre for Middle Eastern and Central Asian Studies, and subsequently changed its name to the present one in 2000.

CAIS is a multi-disciplinary teaching and research Centre. It is Australia's premier location for studies of the politics, international relations, modern history, political economy and societies of the Middle East and Central Asia, as well as the study of contemporary Islam. It teaches three of the region's main languages: Arabic, Persian and Turkish. It also engages in policy debate pertinent to Australia's commercial, security and humanitarian interests in the areas of its geographic coverage.

It has extensive links with scholars working in these fields in Australia, and with its major counterparts in the Muslim world, as well as in North America and Europe.

CAIS's activities are guided by a twenty-one member Advisory Board and a group of international advisers, made up of prominent scholars in Arab, Islamic, Middle Eastern and Central Asian studies.

The primary objectives of CAIS are:

- to promote Arab, Islamic, Middle Eastern and Central Asian Studies, by providing quality educational programs at both undergraduate and postgraduate levels;
- to conduct research of its own, and to coordinate broader research projects with Australian and international academics and specialists;
- to provide a pool of expertise for the public and private sectors, and to engage with these groups on matters related to CAIS's areas and topics of coverage; and
- to strengthen Australia's ties with the Middle Eastern and Central Asian domains through educational links, and engagement with government, business, diplomatic missions and the broader community.

To achieve these goals, the Centre:

- offers a specialized undergraduate degree, the *Bachelor of Middle Eastern and Central Asian Studies*;
- teaches courses towards other undergraduate degrees such as the *Bachelor of Arts* and *Bachelor of Languages*. This includes, of direct relevance to this Inquiry, a course on *The Dynamics of Business in the Middle East*, as well as others on political economy and issues of development in the region;

- offers two Masters degrees: a *Master of Middle Eastern and Central Asian Studies* (MMECAS) and a *Master of Islam in the Modern World* (MIMW);
- offers a specialization within the Graduate Certificate in Arts; and
- provides postgraduate supervision on a wide range of topics for students in the Doctor of Philosophy (PhD) and Master of Philosophy (MPhil) degrees.

As of April 2014, the Centre has staffing of eight full-time academic staff, one part-time academic, one visiting/emeritus academic, one full-time professional (i.e. administrative/support) staff member, two part-time professional staff, and three associates.

2. CAIS's views on Australian trade and investment with the Middle East

CAIS as an entity and its individual staff members have developed close professional ties with public sector institutions and organisations, corporate actors, foreign diplomatic missions in Canberra and elsewhere in Australia, and other bodies with an interest in Australian trade with, and investment in and from the Middle East.

This relationship includes regular meetings with officials of the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), and other organisations responsible for Australian trade and investment policy and promotion. We have contact with other government agencies as well, where an interest in trade and investment, or economic matters more broadly and related to CAIS's areas of coverage, also exists. Our staff also meet from time to time with Australian officials abroad, when travelling for field research, conferences and other activities.

We have generally found Australian officials to be interested in building a relationship with us and insightful in their observations on the countries/issues for which they are responsible. They are, furthermore, very diligent and professional in their activities, especially given that they are typically operating with quite limited resources or an extensive remit. In our opinion, the coordination between government bodies, especially between DFAT and Austrade, is reasonably good, even though their responsibilities can overlap quite significantly.

It also seems to us that Austrade would benefit from a much greater presence in the Middle East. According to Austrade's website, there are only four full-service posts in the region and a couple of sub-posts and representatives; we are surprised that there is no post or sub-post in wealthy, booming states such as Qatar, and in large markets such as Iran, Iraq and Egypt. For a region of such commercial value to Australia, and given the limited knowledge and misconceptions that exist about the region among some potential Australian exporters, we believe that a stronger presence would help enormously to support Australian trade and investment interests in the region.

We have found that Central Asia, a booming resource-rich region comprising the former Muslim Soviet republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan with the population of over 70 million people, is a virtual black hole insofar the Australian government is concerned. Often considered as part of the Greater Middle East, this region has attracted in excess of \$210 bn of foreign direct investment since 1993, primarily from Western companies operating in the mining sector. Central Asia has evolved as an important consumer market in recent years, including the flourishing

demand for quality tertiary education. Kazakhstan alone sent 6,000 students, all expenses paid, to universities abroad between 1996 and 2011, mostly to the US and UK. Australia is the only OECD country that has not developed strong economic relations with Central Asia since the fall of communism. It doesn't even have a diplomatic mission in the region.

CAIS has some links with Australian companies and businesspeople with an interest in the Middle East and Central Asia. We have always included private sector figures on the Centre's Advisory Board, and from time to time we are contacted by businesspeople seeking our views on matters such as political risk, investment climate, and economic policies in the Middle East and Central Asia. Our staff have occasionally engaged in consulting activities for business as well.

We have formulated the general view that Australian businesses have varying knowledge of, and attitudes towards, the Middle East and Central Asia. Some businesses have extensive experience in these regions, and have an intimate knowledge not only of the commercial setting, but also of the political, economic and social contexts in which business operates, in one or (more commonly) multiple countries. In contrast, other businesses with less international experience tend to pay insufficient attention to the region and often give it too little thought as a trade or investment destination. For this reason, Australian small- and medium-sized businesses would benefit from greater government focus on awareness raising about the prospects and risks of various Middle Eastern and Central Asian markets.

Other relationships that CAIS has developed are also focused on trade and investment. This includes links with the Australian-Arab Chamber of Commerce and Industry (AACCI), for example, and with foreign diplomatic missions and trade offices in Australia. AACCI executives and Canberra-based foreign diplomats are usually invited to conferences, seminars and other events hosted by CAIS, and they have been invited by some of our staff, on various occasions, to give speeches or presentations to classes.

Finally, CAIS cultivates solid links with former students, many of whom maintain contact with us because they have found employment relating to these regions in Australian government departments and agencies, firms, and non-governmental organisations in this country and abroad.

3. CAIS's views on the importance of Arabic and Persian language education and area-specific research in support of Australian trade and investment interests

We believe that the government could and should more actively support language education in Arabic in particular, but also in Persian and Turkish.

The *Australia in the Asian Century* White Paper of October 2012 recommended language teaching in the following terms: "As a nation we also need to broaden and deepen our understanding of Asian cultures and languages, to become more Asia literate. These capabilities are needed to build stronger connections and partnerships across the region." (p. 2) and promising that "All students will have access to at least one priority Asian language; these will be Chinese (Mandarin), Hindi, Indonesian and Japanese." (*National objective 11*, p. 170).

We were very surprised that Arabic language teaching, in particular, was not included in the White Paper's objectives and as a priority in government policy. We would argue for a much stronger government emphasis on West Asian languages and Arabic in particular, for the following reasons:

- The Middle East region includes large and wealthy countries. As examples: Saudi Arabia is the world's 11th-largest economy; Qatar is the world's richest country as measured by GDP per citizen; and other economies such as the United Arab Emirates, Turkey, and Egypt are also large and/or wealthy;
- Australian trade with the Middle East in 2012-13 included exports to the region of some \$7.89 billion, and imports of some \$5.67 billion. Our total trade with the region was higher than that with Germany, the United Kingdom, Taiwan or Indonesia, and more than double that with Papua New Guinea or Vietnam; and
- Arabic is an official language in 27 countries, and the population of Arab League member states totals some 383 million. Arabic also is understood as a second language more widely, and is studied by many Muslims, outside of the Arabic-speaking world, as the language of their holy book, the Qur'an.
 - Below is a list of the four White Paper priority languages and where Arabic, Persian and Turkish fit in contrast:

<i>Language</i>	<i>Native speakers</i>	<i>Comments</i>
Mandarin	955 million	Spoken mostly in PR China, Taiwan and Singapore; spoken among diasporic communities elsewhere; an important language for Australia
Hindi	311 million	Spoken in India and parts of Nepal as a native and official language; also studied and used in India as a <i>lingua franca</i> , although English language skills across South Asia are extensive and high quality
Arabic	293 million	<u>An official language in 27 countries</u> ; widely studied by Muslims elsewhere as <u>the language of Islam</u> and its holy book, the Qur'an
Japanese	126 million	Native language in Japan
Indonesian	77 million	Spoken in Indonesia; a very close version spoken in Malaysia, Brunei, and among diasporic communities elsewhere
Persian	65 million	Spoken in Iran, Afghanistan and Tajikistan, and among diasporic communities elsewhere
Turkish	63 million	Spoken in Turkey, parts of Cyprus. Cognate Turkic languages are spoken in Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan

In our view, therefore:

- Arabic has been especially neglected as a priority language for Australia, given its importance as an official language of the UN, the breadth of native speakers of it around the world, and its religious and cultural importance;
- Arabic is also important because of the message sent by visitors to the region who can speak it. As a result of the region's colonial past, and a sense in the region that foreigners lack an appreciation of the region and its past achievements, an ability to

use the language – even at a basic level – is usually extremely helpful in establishing a strong relationship with businesspeople and other contacts there, since it is interpreted as a sign that the visitor has an interest in and respect for the local culture;

- In many Arabic-speaking countries, English language skills are not strong, and having a pool of Australians native in English but fluent in Arabic would have practical benefits for Australian trade and other ties with many Arab countries;
- Arabic is an important community language in Australia, and it would be of benefit for there to be a greater pool of people fluent in Arabic from which could be recruited social workers, police and emergency service workers, and other public servants with roles dealing directly with the Australian community;
- Persian and Turkish are important languages for Australia as well:
 - Iranians in particular see foreigners as lacking an appreciation of Iranian and Persian history and past civilizational achievements, making Persian an important language for our dealings with Iran;
 - Persian (Dari) is an official language of Afghanistan as well, where Australia is now completing an Australian Defence Force (ADF) engagement that has lasted well over a decade and which has been central to Australia's national security, especially its role in fighting international terrorism; and
 - Persian and Turkish are both community languages in Australia;
- More students learning Middle Eastern languages would also mean more people with a cultural fluency in the region, able to understand, for example, the nuances of social interaction, bargaining/negotiation practices, and the contexts in which business and state-society relations in the region takes place.

4. Other issues and considerations

As an academic Centre, we are regularly looking for opportunities to fund our research and outreach work, and we often look to grants for such resources.

However, there is little funding specifically available at present to support research on the commercial environment in the Middle East and Central Asia, or on the specifics of Australian trade and investment in and with the region. For example, there is general funding available from the Australian Research Council (ARC), but with no particular priority placed by the ARC on the region or on Australian trade and investment relations there. There are also grants available through the Council for Australian-Arab Relations (CAAR), but these are of a modest amount (capped at \$20,000, meaning they do not support large scale research or outreach projects) and they are awarded for applied proposals that enhance Australian relations with the Arab world, not for broader or more academic research.

5. Recommendations

In light of our comments in this submission, we would make the following recommendations to the Inquiry:

- I. That the Inquiry considers recommending to the Commonwealth government a significant increase in Australian representation in the Middle East and covering the region.

- a. We would welcome greater resources being made available to Australian diplomatic missions abroad, noting that DFAT plays a crucial role in market access, economic reporting, consular assistance to business (and indeed academics) and other areas directly relevant to Australian trade and investment relations with the Middle East.
 - b. Furthermore, we in particular believe that a greater Austrade presence in the Middle East would help improve Australian exports to and investment to/from the region, including by raising awareness among Australian businesses of the opportunities that exist in many Middle East markets.
- II. That the Commonwealth government establishes a permanent diplomatic mission in Central Asia to expedite trade and political relations. Astana, the capital of Kazakhstan, is well appointed to domicile this mission.
 - III. That urgent priority be given to expanding Arabic, Persian and Turkish teaching in Australian high schools, and that the Commonwealth and State governments seek, as quickly as possible, to agree a funding arrangement to support this.
 - IV. That the Commonwealth government provide specific endorsement of, and financial support for, the teaching of Arabic at Australian universities.
 - V. That the Commonwealth government provide some specific funding for grants that target academic research on the economies of the Middle East and Central Asia and on issues related to trade and investment between Australia and the region.
 - VI. While we acknowledge that the present time is one of budget austerity for the Commonwealth, a small increase in, or reorientation of, some funding in support of the recommendations above would, we believe, have a disproportionately strong impact on trade and investment outcomes for Australia.

6. Conclusion

We would like to commend the JSCFADT for deciding to initiate this Inquiry, which we believe addresses matters of great importance to Australia: it directly tackles key commercial matters in the Australian-Middle Eastern trade and investment relationship, and also, we believe, has the potential to enhance other aspects of Australia's relations with the Middle East and Central Asia.

We would like to acknowledge here the role of many others in advancing and sustaining the Australian-Middle Eastern trade and investment relationship, especially the Commonwealth public servants in DFAT, Austrade and elsewhere, who have a very important, and oftentimes heavy and stressful, set of responsibilities.

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